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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

COUNTRY Czechoslovakia

SUBJECT Reorganization of National Industries to
Take Effect on 1 January 1950

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1. Up to now the nationalized industries have always amalgamated several concerns, sometimes 10, but mostly from 20 to 50, into one whole concern. The central organ of each such industry was the so-called Industrial Management Center. Hitherto all the Industrial Management Centers in the same sector have been subordinated to the General Management of the industry concerned, and the General Management has been directly under the Ministry of Industry.
2. This system of centralization has not proved its worth, as most of the industries concerned have not been working well. The individual Industrial Management Centers have not been able to control the administration of the separate concerns satisfactorily, and the administrative apparatus has been too unwieldy and costly.
3. For this reason all industrial concerns are to be reorganized by decree of the Ministry of Industry and are to be decentralized as of 1 January 1950, on which date the Industrial Management Centers will be abolished. As from this date only two to five concerns, according to their size, will be amalgamated into one whole, and the largest of the concerns will be the so-called "mother concern" and will take over the sphere of authority of the former Industrial Management Center. The mother concerns will then be subordinate to the General Management. Greater control, especially of small concerns, will thus be made possible and the expense of running the Industrial Management Centers will be avoided.

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